Department of Education

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,391,551,100	3,743,109,100	4,054,031,800	3,555,007,600	3,752,161,200
Continuing Appropriation	7,051,700				
Salary Compensation Fund	1,335,000				
Base Deduction	-4,313,300				
Total General Fund	3,395,624,500	3,743,109,100	4,054,031,800	3,555,007,600	3,752,161,200
Tobacco Settlement-Phase I					
Tobacco Settlement - I	1,888,400	1,923,100	1,946,800	1,388,400	1,508,400
Continuing Appropriation	248,900				
Total Tobacco Settlement-Phase I	2,137,300	1,923,100	1,946,800	1,388,400	1,508,400
Restricted Funds					
Balance Forward	1,503,000				
Current Receipts	3,440,400	4,873,400	4,894,600	4,831,300	4,831,300
Non-Revenue Receipts	, ,	83,300	46,300	5,000,000	5,000,000
Total Restricted Funds	4,943,400	4,956,700	4,940,900	9,831,300	9,831,300
Federal Funds	1,0 10,100	1,000,100	1,010,000	2,223,222	0,000,000
Balance Forward	1,921,800	341,600		341,600	
Current Receipts	462,887,000	464,593,000	464,765,700	464,447,100	464,447,100
Non-Revenue Receipts	222,783,300	222,947,600	223,019,600	222,858,200	222,924,300
Total Federal Funds	687,592,100	687,882,200	687,785,300	687,646,900	687,371,400
TOTAL SOURCE OF FUNDS	4,090,297,300	4,437,871,100	4,748,704,800	4,253,874,200	4,450,872,300
EXPENDITURES BY CLASS	, , ,	, - ,- ,	, -, - ,	,,- ,	,,- ,
Personnel Cost	61,900,800	68,925,100	71,596,300	62,609,900	63,411,700
Operating Expenses	18,671,200	44,296,000	43,917,700	24,646,600	34,589,300
Grants, Loans or Benefits	4,006,383,700	4,324,660,600	4,633,203,000	4,166,617,700	4,347,670,300
Debt Service					5,201,000
TOTAL EXPENDITURES	4,086,955,700	4,437,881,700	4,748,717,000	4,253,874,200	4,450,872,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,392,624,500	3,743,109,100	4,054,031,800	3,555,007,600	3,752,161,200
Tobacco Settlement-Phase I	2,137,300	1,923,100	1,946,800	1,388,400	1,508,400
Restricted Funds	4,943,400	4,956,700	4,940,900	9,831,300	9,831,300
Federal Funds	687,250,500	687,882,200	687,785,300	687,646,900	687,371,400
TOTAL EXPENDITURES	4,086,955,700	4,437,871,100	4,748,704,800	4,253,874,200	4,450,872,300
EXPENDITURES BY UNIT					
Executive Policy and Management	654,300	755,600	788,100	672,000	679,800
Operations and Support Services	42,232,200	69,355,300	69,970,500	52,863,400	68,315,300
Learning and Results Services	1,449,176,500	1,543,715,900	1,616,974,300	1,519,903,400	1,566,059,500
Support Education Excellence in Kentucky (SEEK)	2,594,892,700	2,824,044,300	3,060,971,900	2,680,435,400	2,815,817,700
TOTAL EXPENDITURES	4,086,955,700	4,437,871,100	4,748,704,800	4,253,874,200	4,450,872,300

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with existing programs. In accordance with KRS 156.148, the Department of Education is headed by a Commissioner of Education appointed by the Kentucky Board of Education.

Department of Education Executive Policy and Management

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	687,900	755,600	788,100	672,000	679,800
Salary Compensation Fund	20,600				
Base Deduction	-54,200				
Total General Fund	654,300	755,600	788,100	672,000	679,800
TOTAL SOURCE OF FUNDS	654,300	755,600	788,100	672,000	679,800
EXPENDITURES BY CLASS					
Personnel Cost	527,800	597,200	629,700	536,900	544,700
Operating Expenses	126,500	158,400	158,400	135,100	135,100
TOTAL EXPENDITURES EXPENDITURES BY FUND SOURCE	654,300	755,600	788,100	672,000	679,800
General Fund	654,300	755,600	788,100	672,000	679,800
TOTAL EXPENDITURES EXPENDITURES BY UNIT	654,300	755,600	788,100	672,000	679,800
Commissioner	556,100	657,400	689,900	565,200	573,000
Kentucky Board of Education	98,200	98,200	98,200	106,800	106,800
TOTAL EXPENDITURES	654,300	755,600	788,100	672,000	679,800

The Department of Education's Executive Policy and Management function consists of the Commissioner of Education and the Kentucky Board of Education.

The 1990 General Assembly, as part of the Kentucky Education Reform Act (KERA), provided in KRS 156.148 for the appointment of a Commissioner of Education by the Kentucky Board of Education to serve as the chief state school officer.

As part of the same legislation, the General Assembly, in KRS 156.029, created an 11 member Kentucky Board of Education. Board members are appointed by the Governor and confirmed by the Senate and the House of Representatives. Seven members are selected from the state's seven Supreme Court districts and four are appointed from the state at large. Board members serve four-year staggered terms. The Executive Director of the Council on Postsecondary Education serves as an ex officio non-voting board member. Overall policy regarding public elementary and secondary education in Kentucky is set by the Kentucky Board of Education within the legal framework established by the General Assembly.

The Commissioner of Education's qualifications and compensation are set by the Kentucky Board of Education. The Commissioner serves at the pleasure of the Board. The Commissioner is responsible for carrying out all duties assigned by the legislature, for executing education policy as directed by the State Board, and directing the work of all persons employed by the Department of Education.

Department of Education Operations and Support Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS General Fund					
Regular Appropriation Salary Compensation Fund Base Deduction	34,200,300 258,500 -76,600	58,492,000	59,123,000	37,125,500	52,577,400
Total General Fund	34,382,200	58,492,000	59,123,000	37,125,500	52,577,400
Restricted Funds					
Balance Forward	345,200				
Current Receipts Non-Revenue Receipts	1,977,000	2,252,200 83,300	2,273,400 46,300	2,210,100 5,000,000	2,210,100 5,000,000
Total Restricted Funds Federal Funds	2,322,200	2,335,500	2,319,700	7,210,100	7,210,100
Balance Forward	110,700				
Current Receipts	8,417,100	8,527,800	8,527,800	8,527,800	8,527,800
Total Federal Funds	8,527,800	8,527,800	8,527,800	8,527,800	8,527,800
TOTAL SOURCE OF FUNDS EXPENDITURES BY CLASS	45,232,200	69,355,300	69,970,500	52,863,400	68,315,300
Personnel Cost	9,750,300	11,824,900	12,478,400	10,088,100	10,337,400
Operating Expenses	4,254,100	29,313,200	29,276,500	9,547,500	19,549,100
Grants, Loans or Benefits Debt Service	28,227,800	28,227,800	28,227,800	33,227,800	33,227,800 5,201,000
TOTAL EXPENDITURES	42,232,200	69,365,900	69,982,700	52,863,400	68,315,300
EXPENDITURES BY FUND SOURCE					
General Fund	31,382,200	58,492,000	59,123,000	37,125,500	52,577,400
Restricted Funds	2,322,200	2,335,500	2,319,700	7,210,100	7,210,100
Federal Funds	8,527,800	8,527,800	8,527,800	8,527,800	8,527,800
TOTAL EXPENDITURES EXPENDITURES BY UNIT	42,232,200	69,355,300	69,970,500	52,863,400	68,315,300
Deputy Commissioner	231,100	251,400	264,500	241,200	243,100
Internal Administration and Support	9,088,600	10,788,600	11,173,200	14,577,300	29,952,200
Education Technology	30,357,100	55,635,000	55,763,700	35,565,000	35,612,600
Legal and Legislative Services	686,000	721,400	749,700	690,100	695,000
Communications	1,869,400	1,958,900	2,019,400	1,789,800	1,812,400
TOTAL EXPENDITURES	42,232,200	69,355,300	69,970,500	52,863,400	68,315,300

The Operations and Support Services program area consists of the Office of Internal Administration; Office of Education Technology; Office of Legal and Legislative Services; and Office of Communications.

Department of Education Operations and Support Services Deputy Commissioner

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	122,900	251,400	264,500	241,200	243,100
Salary Compensation Fund	117,000				
Base Deduction	-8,800				
Total General Fund	231,100	251,400	264,500	241,200	243,100
TOTAL SOURCE OF FUNDS	231,100	251,400	264,500	241,200	243,100
EXPENDITURES BY CLASS					
Personnel Cost	212,000	232,300	245,400	222,100	224,000
Operating Expenses	19,100	19,100	19,100	19,100	19,100
TOTAL EXPENDITURES EXPENDITURES BY FUND SOURCE	231,100	251,400	264,500	241,200	243,100
General Fund	231,100	251,400	264,500	241,200	243,100
TOTAL EXPENDITURES	231,100	251,400	264,500	241,200	243,100

The Deputy Commissioner and associated support staff provide policy and administrative direction for the Operations and Support Services program area. The Deputy Commissioner reports directly to the Commissioner of Education.

Department of Education Operations and Support Services Internal Administration and Support

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS General Fund					
Regular Appropriation Salary Compensation Fund Base Deduction	9,950,000 114,300 -2,700	8,672,900	9,033,400	12,547,100	27,922,000
Total General Fund Restricted Funds Balance Forward	10,061,600	8,672,900	9,033,400	12,547,100	27,922,000
Current Receipts Non-Revenue Receipts	1,807,500	2,072,300 43,400	2,093,500 46,300	2,030,200	2,030,200
Total Restricted Funds	2,027,000	2,115,700	2,139,800	2,030,200	2,030,200
TOTAL SOURCE OF FUNDS EXPENDITURES BY CLASS	12,088,600	10,788,600	11,173,200	14,577,300	29,952,200
Personnel Cost	5,466,300	7,157,700	7,540,700	5,661,600	5,833,900
Operating Expenses Debt Service	3,622,300	3,641,500	3,644,700	8,915,700	18,917,300 5,201,000
TOTAL EXPENDITURES EXPENDITURES BY FUND SOURCE	9,088,600	10,799,200	11,185,400	14,577,300	29,952,200
General Fund	7,061,600	8,672,900	9,033,400	12,547,100	27,922,000
Restricted Funds	2,027,000	2,115,700	2,139,800	2,030,200	2,030,200
TOTAL EXPENDITURES EXPENDITURES BY UNIT	9,088,600	10,788,600	11,173,200	14,577,300	29,952,200
Associate Commissioner	504,600	590,400	613,700	5,809,500	15,813,100
Budgets	694,300	828,900	874,100	756,300	5,967,900
Financial and Materials Management	3,233,700	4,058,300	4,119,100	3,241,300	3,249,500
Teachers' Retirement Match	2,607,800	3,046,800	3,218,100	2,705,600	2,840,900
Administrative Services	1,268,300	1,392,100	1,431,300	1,288,300	1,296,100
Human Resources	587,400	666,300	701,800	595,100	602,300
Project Management	192,500	205,800	215,100	181,200	182,400
TOTAL EXPENDITURES	9,088,600	10,788,600	11,173,200	14,577,300	29,952,200

The Office of Internal Administration and Support consists of the following divisions: Budgets; Financial and Materials Management; Administrative Services; Human Resources; and Project Management.

The Division of Budgets supervises all aspects of budget creation, both annual and biennial, budget analysis and forecasting, expenditure authorizations, personnel approvals, and allotment and appropriation adjustments and increases. The division serves as agency liaison with the Office of State Budget Director and Legislative Research Commission budget staff.

The Division of Financial and Materials Management supervises all expenditure and accounting transactions, purchasing and document preparation, and pre-audit functions. The division serves as liaison with the Auditor of Public Accounts and the Finance and Administration Cabinet and also is the primary department authority for MARS training and implementation.

The Division of Administrative Services is responsible for: insurance, leasing, management of leased property, inventory, telecommunications equipment, copiers, mail, office and furniture moves, receiving and distribution of equipment and

materials, printing, and processing of documents to archives. The division is also responsible for capital project planning, budgeting and administration.

The Division of Human Resources provides personnel and payroll services to department staff. These services include initiation of master agreements with local education agencies as well as administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans With Disabilities Act and all other related employment laws and regulations.

The Division of Project Management advises and assists department leadership in the most efficient and effective means of deploying information technology resources to meet the strategic priorities of the Kentucky Board of Education, Department of Education, and local districts and schools.

Policy

The Governor's budget recommendation includes \$5,201,000 in fiscal year 2008 for debt service in support of three education information technology capital projects. The first project is a \$6.25 million Knowledge Management Portal that will assist educators, students and parents by connecting curriculum, instruction, and assessment with other data generated by schools and the Kentucky Department of Education.

The second project - On-Line Assessment - will cost \$15 million and will provide a platform for on-line student assessment with quick reporting of scores. The project will also introduce diagnostic assessments administered at the classroom level and also the capacity for end-of-course assessments.

The third project is a \$16.1 million P-16 Education Information Technology Integration initiative. The Department of Education, the Education Cabinet, the Council on Postsecondary Education (CPE), and the Education Professional Standards Board (EPSB), have developed an unprecedented joint P-16 Education Information Technology Integration Initiative. This project will accomplish what no single organization can accomplish alone. This initiative has several interrelated components: a Kentucky Education Network (KEN), to provide a faster and higher volume transfer of data and electronic resources to schools connecting local school districts, universities and colleges, and other education agencies together in a single network; the establishment of a learning systems repository accessible electronically to share instructional content modules across all education agencies; a seamless P-16 data repository that allows comprehensive education information to be shared among agencies to better inform policy and decision making; a common course management system; and a unified structure for all virtual education entities.

The Governor's budget recommendation also includes \$5.3 million in fiscal year 2007 and \$15.3 million in fiscal year 2008 within the Deputy Commissioner's office for operational support for the three capital information technology projects.

Department of Education Operations and Support Services Education Technology

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS General Fund					
Regular Appropriation Salary Compensation Fund Base Deduction	21,814,100 27,200 -59,200	47,060,000	47,188,700	21,990,000	22,037,600
Total General Fund Restricted Funds Balance Forward	21,782,100 8,700	47,060,000	47,188,700	21,990,000	22,037,600
Current Receipts Non-Revenue Receipts	66,300	75,000	75,000	75,000 5,000,000	75,000 5,000,000
Total Restricted Funds Federal Funds	75,000	75,000	75,000	5,075,000	5,075,000
Balance Forward Current Receipts	104,300 8,395,700	8,500,000	8,500,000	8,500,000	8,500,000
Total Federal Funds	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
TOTAL SOURCE OF FUNDS EXPENDITURES BY CLASS	30,357,100	55,635,000	55,763,700	35,565,000	35,612,600
Personnel Cost Operating Expenses Grants, Loans or Benefits	1,919,400 437,700 28,000,000	2,197,300 25,437,700 28,000,000	2,326,000 25,437,700 28,000,000	2,127,300 437,700 33,000,000	2,174,900 437,700 33,000,000
TOTAL EXPENDITURES EXPENDITURES BY FUND SOURCE	30,357,100	55,635,000	55,763,700	35,565,000	35,612,600
General Fund Restricted Funds Federal Funds	21,782,100 75,000 8,500,000	47,060,000 75,000 8,500,000	47,188,700 75,000 8,500,000	21,990,000 5,075,000 8,500,000	22,037,600 5,075,000 8,500,000
TOTAL EXPENDITURES EXPENDITURES BY UNIT	30,357,100	55,635,000	55,763,700	35,565,000	35,612,600
Associate Commissioner Engineering Management Operations and Services Education Technology (KETS)	8,781,700 810,100 1,265,300 19,500,000	8,811,200 931,900 1,391,900 44,500,000	8,827,700 974,900 1,461,100 44,500,000	13,960,200 828,700 1,276,100 19,500,000	13,953,100 840,700 1,318,800 19,500,000
TOTAL EXPENDITURES	30,357,100	55,635,000	55,763,700	35,565,000	35,612,600

The Office of Education Technology provides policy and budget planning, liaison services, administration and quality assurance for the Kentucky Education Technology System (KETS). The Office is responsible for KETS shared services for 700,000 direct customers, 1,400 schools, 176 local school districts and the Kentucky Department of Education. The Office consists of two divisions – Engineering and Management, and Operations and Services.

Policy

The Governor's recommended budget includes \$5,000,000 in fiscal year 2007 and \$5,000,000 in fiscal year 2008 in increased funding for Kentucky's program of education technology. These funds are to be used to enhance the availability and use of education technology for students in coal-producing counties and school districts.

Department of Education Operations and Support Services Legal and Legislative Services

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS General Fund					
Regular Appropriation	686,000	721,400	749,700	690,100	695,000
Total General Fund	686,000	721,400	749,700	690,100	695,000
TOTAL SOURCE OF FUNDS	686,000	721,400	749,700	690,100	695,000
EXPENDITURES BY CLASS					
Personnel Cost	466,000	501,400	529,700	470,100	475,000
Operating Expenses	20,000	20,000	20,000	20,000	20,000
Grants, Loans or Benefits	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	686,000	721,400	749,700	690,100	695,000
EXPENDITURES BY FUND SOURCE					
General Fund	686,000	721,400	749,700	690,100	695,000
TOTAL EXPENDITURES	686,000	721,400	749,700	690,100	695,000
EXPENDITURES BY UNIT					
Associate Commissioner	486,000	521,400	549,700	490,100	495,000
Management Assistance Program	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	686,000	721,400	749,700	690,100	695,000

The Office of Legal and Legislative Services provides in-house counsel and advice for the Commissioner of Education, all offices of the Department of Education, and the Kentucky Board of Education. The office provides legal representation for the Department of Education and Kentucky Board of Education before administrative agencies and courts of law. It provides informal legal advice to local school districts and members of the general public. The office serves as the Kentucky Department of Education's liaison with the General Assembly.

The Office of Legal and Legislative Services also houses the Management Assistance Program. KRS 158.785 requires the Kentucky Department of Education to conduct a management audit of the governance and administration of a school district when a review of data or other information, including site investigations, indicates the presence of serious deficiencies in district management of an instructional or operational nature. The Commissioner of Education determines whether a comprehensive management audit is warranted. Such an audit examines a district's planning, operational support, fiscal management, personnel administration and instructional management. If the deficiencies documented are serious enough, the Commissioner recommends to the Kentucky Board of Education that the district be declared "state-assisted" or "state-managed." Districts so designated must develop and implement an improvement plan subject to Kentucky Board of Education Approval.

Department of Education Operations and Support Services Communications

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS General Fund					
Regular Appropriation	1,627,300	1,786,300	1,886,700	1,657,100	1,679,700
Base Deduction	-5,900	1,700,300	1,000,700	1,037,100	1,079,700
Total General Fund	1,621,400	1,786,300	1,886,700	1,657,100	1,679,700
Restricted Funds					
Balance Forward	117,000				
Current Receipts	103,200	104,900	104,900	104,900	104,900
Non-Revenue Receipts		39,900			
Total Restricted Funds	220,200	144,800	104,900	104,900	104,900
Federal Funds					
Balance Forward	6,400				
Current Receipts	21,400	27,800	27,800	27,800	27,800
Total Federal Funds	27,800	27,800	27,800	27,800	27,800
TOTAL SOURCE OF FUNDS	1,869,400	1,958,900	2,019,400	1,789,800	1,812,400
EXPENDITURES BY CLASS					
Personnel Cost	1,686,600	1,736,200	1,836,600	1,607,000	1,629,600
Operating Expenses	155,000	194,900	155,000	155,000	155,000
Grants, Loans or Benefits	27,800	27,800	27,800	27,800	27,800
TOTAL EXPENDITURES	1,869,400	1,958,900	2,019,400	1,789,800	1,812,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,621,400	1,786,300	1,886,700	1,657,100	1,679,700
Restricted Funds	220,200	144,800	104,900	104,900	104,900
Federal Funds	27,800	27,800	27,800	27,800	27,800
TOTAL EXPENDITURES	1,869,400	1,958,900	2,019,400	1,789,800	1,812,400
EXPENDITURES BY UNIT					
Associate Commissioner	801,100	783,300	778,300	694,100	700,300
Publications/Web Services	677,400	746,700	787,800	698,400	709,400
Video/Multimedia Services	390,900	428,900	453,300	397,300	402,700
TOTAL EXPENDITURES	1,869,400	1,958,900	2,019,400	1,789,800	1,812,400

The Office of Communications consists of two divisions: Publications and Web Services and Video and Multimedia Services. The Office is responsible for print, broadcast, Internet and other electronic information programs for educators, legislators, the education community and the general public. The Office is also responsible for media services for professional development, news media relations for the Commissioner and the Department of Education, awards and recognition activities, event planning and school visits and statewide tours by the Commissioner.